Alternatives to counter guarantee offer to foreign power companies

3458. SHRI YERRA NARAYANASWAMY: Will the Minister of POWER be pleased to state:

(a) whether Government propose to change the original offer of counter guarantee to foreign power components.

(b) if so, whether the alternative conditions have found acceptance; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI URMILABEN CHIMANBHAI PATEL): (a) The Government of India has decided not to extend the Government of India counter guarantee beyond the eight initial projects cleared from the foreign investment angle.

(b) and (c) The following options are being considered as alternatives to counter guarantee:

(i) Direct supply of power by Independent Power Producers (IPPs) to High Tension consumers.

(ii) Opening of n Escrow account in which identified payments by consumers are credited and the payment liability to the IPP is a first charge on this account.

(iii) Escrow with Financial Institution counter guarantee.

(iv) The blended counter guarantee.

(v) PPA with Powergrid Corporation.

(vi) Linking power generation with Distribution.

(vii) Escrow arrangement with central devolution also committed to such an account, backed up by State Government guarantee.

(viii) World Bank guarantee.

Power products by multinational companies

3459. SHRIMATI ILA PANDA:

SHRI TINDIVANAM G. VENKATRAMAN:

Will the Minister of POWER be pleased to state:

(a) whether multinationals have applied for power projects to be set up in India; if so, the names of the companies and their quotations including per unit cost of power generated, as on date;

(b) whether Government have decided the final list of companies to commence their work in India; and

(c) if so, what is the expected gain therefrom for power starving States?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI URMILABEN CHIMANBHAI PATEL): (a) and (b) The response to private power policy has been encouraging and as-on-date, expressions of interest has been shown by various private investors, including multinationals, for setting up 190 projects (including projects under bidding) for a capacity addition of 75259.50 MW. The State-wise details of the projects are given in Annexure. (*See* Appendix 173, Annexure No. 65). The per unit cost of power generated could be finalised only upon the projects achieving financial closure. So far Dabhol power project in Maharashtra has achieved financial closure and the per unit cost indicated is Rs. 240 in 1977.

(c) Execution of power projects in private sector in various States is expected to help mitigate the power shortage in verious States.

Power requirement and generation

3460. SHRI TINDIVANAM G. VENKATRAMAN: Will the Minister of POWER be pleased to state:

(a) what is the total output and total requirement of power generation in India at present;

(b) whether there is a deficit in power generation vis-a-vis demand; if so, in what manner this crisis is proposed to be tackled;

(c) whether Government propose to tap alternative sources of power; and

(d) what is the total output of power expected to added due to the recent Indo-US bilateral agreement?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI URMILABEN CHIMANBHAI PATEL): (a) and (b) During the year 1994-95 the energy requirement in the country was 352260 million units against which the availability was 327281 million units.

In order to bridge the gap between demand and availability of power various measures being taken to improve the availability of power in the country include expediting the commissioning of new generating capacity, implementation of short gestation projects, improving the performance of existing power stations, reduction of Transmission and Distribution losses, implementation of better demand management and energy conservation measures, arranging transfer of energy from surplus to deficit areas and promotion of private sector investment in power sector.

(c) Yes, Sir.

(d) No Government to Government agreement have been signed with the United States for America for setting up of power projects.

Differences between India and Nepal on power projects

3461. SHRIMATI MALTI SHARMA: Will the Minister of POWER be pleased to state:

(a) whether Government,s attention has been drawn to a newsitem captioned "India-Nepal differ on Hydel projects" which appeared in the 'Hindustan Times' dated the 23rd March, 1995; and

(b) if so, the reaction of Government there to indicating the steps underway to remove the stalemete?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI URMILABEN CHIMANBHAI PATEL): (a) and (b) Secretary Level Meeting on Water Resources Cooperation, including development of hydel projects, for the mutual benefits of two countries was held between India and Nepal at Kathmandu during March 13-15, 1995. The meeting took place in an atmosphere of friendship and cooperation from both sides and a number of projects with a view to making progress on them were discussed. As a result of these discussions, it has been agreed to reactivate the eixsting three tier mechanism of discussions viz. technical level, official level and political level. After the Secretary level meeting, bilateral discussions were again held on 11th April, 1995 at both official level and Minister level during the vtsit of Prime Minister of Nepal to India.

External Commercial Borrowings for private power projects

3462. SHRI G. Y. KRISHNAN: Will the Minister of POWER be pleased to state:

(a) whether his Ministry has estimated a total External Commercial Borrowings (ECB) requirement of around $2.1 billion for private power projects in 1995-96, far exceeding the current informal limit of $1.5 billion for the power sector as a whole.

(b) the names of projects having ECB approvals and which of the fast track projects are not slated for ECB disbursals in 1995-96 and which are the main projects expected to receive these disbursement for 1995-96 (excluding fast track projects); and

(c) in what manner investments and guarantees form the domestic credit institutions and market borrowings of ECBs are proposed to be revised inview of the inadequate ECB ceiling for power meters?